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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 4-85

Jan. 24, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

OILSEEDS AND PRODUCTS

INDIA has decided to reduce the allocation of imported vegetable oils in vanaspati (a hydrogenated vegetable fat used as a butter substitute) from 95 percent to 85 percent effective January 1985. Vanaspati production is forecast to rise from about 900,000 tons in 1984 to 950,000 in 1985, but the share of imported oils used in vanaspati is expected to decline. India is forecast to import 1.4 million tons of vegetable oil in 1984/85, with a consumption level of 4.5 million tons. Soybean oil imports in October/September 1984/85 are estimated at 550,000 tons, compared with 750,000 tons in 1983/84, as competition from palm oil increased.

DAIRY, LIVESTOCK AND POULTRY

The NEW ZEALAND MEAT BOARD has concluded an agreement with Poland to barter 18,000 tons of frozen lamb carcasses for hotel and restaurant use for approximately US\$20 million worth of heavy industrial equipment, according to the U.S. agricultural attache in Warsaw. This follows a year of negotiations and a trial barter sale of 600 tons of lamb for coal mining equipment several months ago. It was recognized that for countries short on foreign exchange special arrangements such as barter sales would need be used to "make the sale". Reportedly, Poland turned down lower priced offers of beef and pork from the European Community (EC) in favor of the barter sale with New Zealand. This is the first sizable lamb transaction with Poland and the Meat Board hopes it will lead to regular cash sales. Reportedly, discussions are occurring with three other East European countries which may result in future sales, perhaps through barter arrangements.

ISRAELI poultry and meat production increased 8 percent to 203,000 tons in 1984, according to the U.S. agricultural attache in Athens who reports on Israel. Broiler production increased over 5 percent while turkey production was up 15 percent. A system of government subsidies has helped producers maintain profit margins despite rising feed and labor costs; however, production of both broilers and turkeys is expected to decline in 1985 as costs are expected to continue rising sharply.

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The U.S. agricultural attache in Wellington reports that cattle and sheep numbers in NEW ZEALAND are expected to continue expanding in 1985. Beef production for 1985 is expected to be up 4.8 percent to 483,000 tons, sheep and mutton production up 7.1 percent to 681,000 tons, while cow milk production is expected to fall 7 percent to 7.1 million tons.

In the EUROPEAN COMMUNITY, intervention stocks of butter as of Dec. 13, 1984, were 1,021,000 tons, the lowest level since May 1984 when they totaled 1,005,000 tons. Government nonfat dry milk (NDM) stocks also were down significantly to 697,000 tons as of December 13, compared with last December's 1,006,000 tons, continuing the downward trend that began a year ago. Contributing to the decline in butter and NDM stocks are production quotas that sharply reduced the expansion in EC milk output, greater utilization of NDM in animal feeds, domestic donation and promotion programs to induce greater consumption of butter and the sale of 200,000 tons of butter to the Soviet Union last fall.

In comparison, U.S. Commodity Credit Corporation (CCC) butter stocks as of Dec. 14, 1984, were only 87,000 tons, down from over 188,000 tons in March 1984. Stocks of NDM totaled 510,000 tons on December 14, down from over 625,000 tons last summer. A drop in milk output, domestic and foreign donation programs and CCC export sales contributed to the stock decline.

COTTON AND FIBERS

PAKISTAN has reported lower exports of cotton and cotton products in the first quarter (July-September) of Pakistani fiscal year 1984/85. Raw cotton exports totaled 21,725 bales during the first quarter of 1984/85, compared with 216,652 in 1983/84; cotton yarn 18,510 tons compared with 27,480 a year earlier; and cotton cloth 126.7 million square meters compared with 140.8 million in 1983/84. The drop is attributed to the short 1983/84 cotton crop in Pakistan. Exports of manmade fiber textiles increased slightly to 5.7 million square meters.

VEGETABLES

The ITALIAN peninsula was swept by a severe winter storm and accompanying below-normal temperatures during early to mid-January. According to the U.S. agricultural counselor in Rome, indications are that the freezing temperatures caused significant agricultural damage, mostly to winter vegetables, flowers and ornamental plants. Temperatures in the major citrus production areas were well below normal, but unharvested citrus was reported to be largely unaffected. Some damage to the olive crop did occur. No significant impact on the Italian grain crop is anticipated.

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FRUIT AND NUTS

WORLD commercial production of almonds during 1984 is expected to total 334,400 tons (shelled basis), 4 percent greater than the preliminary estimate of 321,500 tons released Sept. 19, 1984 (WR 38-84). The increase is attributed to an upward revision in the U.S. crop to a record 263,000 tons, which more than offset smaller than anticipated harvests in Italy, Portugal and Spain.

After record world commercial production of filberts in 1983, preliminary data indicated the 1984 crop would exhibit the normal cyclical pattern and drop 27 percent to 420,700 tons (in-shell basis). This estimate has now been reduced an additional 10 percent to 380,000 tons due to late season weather damage to the Italian and U.S. crops.

An upward revision in the U.S. pistachio crop to 28,100 tons is expected to boost world commercial pistachio production (excluding Iran) in 1984 to a record 51,400 tons (in-shell basis). This represents a 6-percent increase over the preliminary Oct. 17, 1984, estimate (WR 42-84), and a gain of 12 percent over the bumper world harvest in 1983.

World commercial walnut production has been revised to 307,700 tons (in-shell basis), 5 percent below the October 1984 estimate, but still marginally above the 1983 volume. Adverse weather conditions figured prominently in the downward revisions for several countries. Losses from hail damage in southeast France were more extensive than originally reported, and the 1984 crop is now expected to total only 14,200 tons. Excessive rain in Italy precluded a bumper crop, stalling production at 12,000 tons for the third consecutive year. A prolonged heat wave in California stressed walnut trees during the crucial development stage causing premature nut drop, below-average meat yields and low oil content. Despite the weather problems, the 1984 harvest (currently estimated at 190,500 tons) ranks as the third largest crop in U.S. history.

Commercial tree nut production in selected countries is estimated as follows in 1,000 tons:

Almonds (Shelled)	1982	1983	Revised 1984 Estimate
Italy	16.0	29.0	13.0
Morocco	3.5	5.3	5.3
Portugal	4.2	3.5	3.8
Spain	60.0	32.0	40.0
Turkey	12.0	12.7	9.3
United States	157.4	109.8	263.0
Total	253.1	192.3	334.4

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Filberts (In-Shell)	1982	1983	Revised 1984 Estimate
Italy	115.0	120.0	55.0
Spain	14.0	31.0	13.0
Turkey	220.0	420.0	300.0
United States	17.1	7.4	12.0
Total	366.1	578.4	380.0

Pistachios (In-Shell) 1/	1982	1983	Revised 1984 Estimate
Greece	1.6	2.6	2.1
Italy	0.2	4.0	0.2
Syria	8.0	9.2	12.0
Turkey	11.0	18.0	9.0
United States	19.7	12.0	28.1
Total	40.5	45.8	51.4

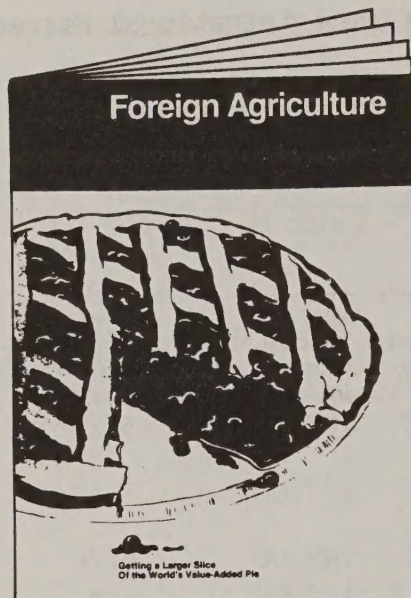
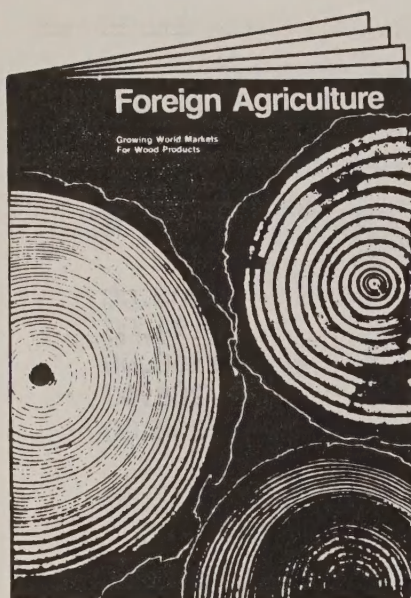
1/ Iran has been dropped from this series because of the lack of verifiable production information.

Walnuts (In-Shell)	1982	1983	Revised 1984 Estimate
France	31.0	18.0	14.2
India	17.9	19.8	21.0
Italy	12.0	12.0	12.0
Turkey	72.0	73.0	70.0
United States	212.3	180.5	190.5
Total	345.2	303.3	307.7

Selected International Prices

Item	: Jan. 22, 1985	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWRS-13.5%.9/	186.50	5.08	-1.50
U.S. No. 2 DNS/NS: 14%....	183.00	4.98	+ .50
U.S. No. 2 S.R.W.	165.00	4.49	- .50
U.S. No. 3 H.A.D.....9/	183.00	4.98	-3.00
Canadian No. 1 A: Durum.9/	193.50	5.27	-6.50
Feed grains:			
U.S. No. 3 Yellow Corn....	137.00	3.48	+4.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	249.00	6.78	+7.50
Brazil 47/48% SoyaPellets 4/	183.00	--	-1.00
U.S. 44% Soybean Meal....	169.00	--	0
U.S. FARM PRICES 3/			
Wheat.....	124.55	3.39	+ .37
Barley.....	84.51	1.84	+1.84
Corn.....	104.33	2.65	+1.97
Sorghum.....	92.37	4.19 2/	+ .22
Broilers 4/.....	1164.69	--	-12.13
EC IMPORT LEVIES			
Wheat 5/.....	41.90	1.14	-2.30
Barley.....	53.65	1.17	-1.90
Corn.....	43.15	1.10	-2.30
Sorghum.....	47.95	1.22	-2.00
Broilers 4/ 6/ 8/.....	154.00	--	-1.00
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	138.70	3.77	- .50
Bread wheat (min. quality)7/	147.65	4.02	- .55
Barley and all			
other feed grains.....	138.70	--	- .50
Broilers 4/ 6/.....	1029.00	--	+3.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	14.65	.40	- .10
Barley.....	27.90	.61	- .20
Broilers 4/ 6/ 8/.....	91.00	--	0

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ April-May. N.A.=None authorized. N.Q.=Not quoted. Note: Basis February delivery.



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